



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT

*Promoting the wise use of land
Helping build great communities*

PLANNING COMMISSION

MEETING DATE	CONTACT/PHONE	APPLICANT	FILE NO.
July 30, 2015	Xzandrea Fowler / 781-1172 xfowler@co.slo.ca.us	County of San Luis Obispo	LRP2013-00012
SUBJECT			
<p>Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO for amendments to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and amendments to Title 8 (Health and Sanitation Code), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code in order to implement the Water Neutral New Development and the Water Waste Prevention components of the proposed Countywide Water Conservation Program. The proposed Countywide Water Conservation Program and associated amendments would affect water use in both new and existing development, including all urban and rural land uses within the unincorporated areas of the county as well as agricultural operations. The requested amendments would specifically modify: 1) the Agricultural Element of the County General Plan, Agricultural Goal – AG1 (Support County Agricultural Production), Agricultural Policies – AGP10 (Water Conservation) and AGP11 (Agricultural Water Supplies); 2) the Conservation and Open Space Element of the County General Plan, Water Resource Policy – WR 1.7 (Agricultural operations), Water Resource Implementation Strategy - WR 1.7.1 (Protect agricultural water supplies), and Water Resource Policy - WR 1.14 (Avoid net increase in water use); 3) Title 8 (Health and Sanitation Ordinance) of the County Code for the addition of a new Chapter 8.69 – Urban and Rural Development Water Conservation Requirements; 4) Title 19 (Building and Construction Ordinance) of the County Code, Chapter 7 – Plumbing Code, Section 19.07.42 – Water Conservation Provisions; and 5) Title 22 (Land Use Ordinance) of the County Code, Chapter 22.06 – Allowable Land Uses and Permit Requirements by Land Use Category, Section 22.06.030 - Table 2-2, Section 22.06.040 – Exemptions from Land Use Permit Requirements, Chapter 22.30 – Standards for Specific Land Uses for the addition of a new Section 22.30.204 – New or Expanded Crop Production Overlying the Paso Robles Groundwater Basin, Section 22.30.310 – Nursery Specialties, Chapter 22.62 – Permit Approval or Disapproval, Section 22.62.030 – Zoning Clearance, and Chapter 22.80 – Definitions/Glossary, Section 22.80.030 – Definitions of Land Uses, and Specialized Terms and Phrases. This project affects all of the unincorporated portions of the County.</p>			
RECOMMENDED ACTION			
<p>Staff recommends the Planning Commission take the following actions:</p> <ol style="list-style-type: none">1. Recommend the Board of Supervisors certify the Final SEIR, including Appendices;2. Recommend the Board of Supervisors adopt CEQA Findings;3. Recommend the Board of Supervisors adopt amendments to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and4. Recommend the Board of Supervisors adopt amendments to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.			
<p>ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER γ SAN LUIS OBISPO γ CALIFORNIA 93408 γ (805) 781-5600 γ Fax: (805) 781-1242</p>			

ENVIRONMENTAL DETERMINATION

The Environmental Coordinator, after completion of the initial study, found evidence that the project may have a significant effect on the environment, and therefore a Supplemental Environmental Impact Report (SEIR) was prepared (pursuant to Public Resources Code Section 21000 et seq., and CA Code of Regulations Section 15000 et seq. ("CEQA")) for this project. The Final SEIR was prepared as a Supplemental EIR to the previously certified Environmental Impact Report for the Conservation and Open Space Element (COSE) of the County General Plan, which analyzed the potential impacts associated with the adoption and subsequent implementation of the COSE Consolidation and Update. The Final SEIR addresses potential impacts on: Agricultural Resources and Land Use. Mitigation measures are proposed to address these impacts and have been incorporated into the proposed Countywide Water Conservation Program. See Attachment F for the specific CEQA Findings.

LAND USE CATEGORY	COMBINING DESIGNATION	ASSESSOR PARCEL NUMBER	SUPERVISOR DISTRICT(S)
All	Not Applicable	Not Applicable	All

PLANNING AREA STANDARDS:

Not Applicable

EXISTING USES:

Not Applicable

SURROUNDING LAND USE CATEGORIES AND USES:

Not Applicable

OTHER AGENCY / ADVISORY GROUP INVOLVEMENT:

The project was referred to: Public Works, Environmental Health, Ag Commissioner, County Parks, CAL FIRE, County Assessor's Office, Health Commission, APCD, All Community Advisory Groups (including Water Resources Advisory Committee, Agricultural Liaison Advisory Board, Paso Basin Advisory Committee), Community Service Districts (Avila CSD, Atascadero Mutual Water Company, Cambria CSD, CSA 10-Cayuco Water, CSA 16-Shandon, CSA 23-Santa Margarita, Garden Farms Community Water District, Heritage Ranch CSD, Los Osos CSD, Nipomo CSD, Oceano CSD, Paso Robles Beach Water Association, San Miguel CSD, San Miguelito Mutual Water Company, San Simeon CSD, Templeton CSD), City of Atascadero, City of Paso Robles, City of San Luis Obispo, City of Pismo Beach, City of Arroyo Grande, City of Grover Beach, City of Morro Bay, County of Santa Barbara, County of Monterey, County of Kern, County of Kings, Upper Salinas-Las Tables Resource Conservation District, Coastal San Luis Resource Conservation District, Native American Heritage Commission, Regional Water Quality Control Board, State Water Quality Control Board, State Water Resources Control Board, California Coastal Commission, California Department of Fish and Wildlife, State Parks, Department of Conservation, Soil Conservation Service, Cal Trans, U.S. Fish and Wildlife, and U.S. Forest Service.

TOPOGRAPHY:

Not Applicable

VEGETATION:

Not Applicable

PROPOSED SERVICES:

Not Applicable

AUTHORIZED FOR PROCESSING DATE:

March 4, 2014

SUMMARY

The proposed Project is a request for amendments to the Agricultural Element and the Conservation and Open Space Element of the General Plan; to Title 8 (Health and Sanitation Code), to Title 19 (Building and Construction Ordinance), and to Title 22 (Land Use Ordinance) of the County Code in order to implement the Water Neutral New Development and the Water Waste Prevention components of the proposed Countywide Water Conservation Program. The proposed Countywide Water Conservation Program and associated amendments would affect water use in both new and existing development, including all urban and rural land uses within the unincorporated areas of the county as well as agricultural operations. Collectively, these amendments make up Case Number LRP2013-00012. Figures 7-1, 7-2, and 7-3 of Attachment C provide the locations of the areas where the Program would apply.

The following is a breakdown of how this Staff Report is organized:

- The **Background Information** section provides a history of the Project's development.
- The **Project Description** section provides an overview of the proposed Project.
- The **General Plan and Ordinance Compliance** section provides a summary of the proposed amendments to the County's existing regulations.
- The **Environmental Review/ Determination** section provides an overview of the environmental review process, the proposed Project's significant environmental impacts, and mitigation measures. This section also provides an overview of the Alternatives considered in the EIR.
- The **Community Advisory Group/ Public Participation** section provides an overview of the public's involvement in the process and efforts by the County to engage the public in participation in the process
- The **Agency Review** section summarizes the local, state and federal agencies that have provided comments on the Project
- The **Procedures for Processing** section summarizes the amendment process.
- The **Staff Recommendation** section provides a list of the recommended actions for the Commission to take regarding the proposed Project.

BACKGROUND INFORMATION

Water levels in groundwater basins and surface lakes and reservoirs throughout the County have been in decline for over a decade, and current "exceptional drought" has exacerbated this decline. The Board of Supervisors has declared three groundwater basins, Nipomo Mesa (part of Santa Maria Groundwater Basin), the Los Osos Groundwater Basin, and the Paso Robles Groundwater Basin, at Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply. Further information on the LOS certification and how it is applied is explained below.

The Board of Supervisors authorized the Department of Planning and Building to propose several amendments to the County General Plan and County Codes with the objective of the development and implementation of a Countywide Water Conservation Program to substantially reduce increases in groundwater extraction in areas that have been certified LOS III; provide a mechanism to allow new development and new or altered irrigated agriculture to proceed in certified LOS III areas, subject to the

requirements of the County General Plan and County Code, in a manner that fully offsets projected water use; and to reduce the wasteful use of water in the county.

The programs under review within this document were authorized by the Board of Supervisors on March 4, 2014. The programs of Water Neutral New Development and Water Waste Prevention are meant to address issues not only related to groundwater basins certified at LOS III, but also continuing issues faced by the current drought. To implement these programs and achieve water savings as envisioned, a number of measures would enable the County to verify and track meaningful progress. These measures may include, but are not limited to, ordinances, voluntary programs, policies, and verified best management practices.

Level of Severity (LOS) III Groundwater Basins

Three groundwater basins in the County have been certified at a Level of Severity (LOS) III, which indicates that groundwater demand has met or exceeded the dependable supply. The groundwater basins certified at LOS III are the Los Osos Groundwater Basin, the Nipomo Mesa Water Conservation Area (part of the Santa Maria Groundwater Basin), and the Paso Robles Groundwater Basin (PRGWB).

Los Osos Groundwater Basin

The Los Osos Groundwater Basin underlies the unincorporated communities of Los Osos, Baywood Park and Cuesta-by-the-Sea in San Luis Obispo County. The onshore portion of the Los Osos Groundwater Basin covers approximately 12 square miles, of which approximately four square miles underlie the bay (Morro Bay) and sand spit, and eight square miles underlie the Los Osos communities. The majority of groundwater (52 percent) is extracted for residential, commercial and community uses by the three water purveyors within Los Osos, although the basin also supports agriculture (24 percent), private domestic wells (22 percent), and community facilities (2 percent) (County of San Luis Obispo, 2013).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in February 2007. The Resource Capacity Study confirmed that, for the Los Osos area water demand exceeds sustainable yield and that the lower aquifer system in the Los Osos Basin was experiencing sea water intrusion.

Nipomo Mesa Water Conservation Area

The Nipomo Mesa Water Conservation Area (NMWCA) is part of the Santa Maria Groundwater Basin, but is located completely within San Luis Obispo County and encompasses an area of approximately 27.5 square miles. The Basin contains Black Lake Canyon and Black Lake (California Department of Water Resources, 2002).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in November 2004. The Resource Capacity Study confirmed that, for the Nipomo Mesa area, demand equaled or exceeded the dependable yield. Therefore, LOS III was recommended for the water resources of the Nipomo Mesa area.

Paso Robles Groundwater Basin

The Paso Robles Groundwater Basin (PRGWB) encompasses an area of approximately 790 square miles and ranges from the Garden Farms area south of Atascadero in San Luis Obispo County to San Ardo in Monterey County, and from the Highway 101 corridor east to Shandon. The PRGWB supplies

water for 29 percent of San Luis Obispo County's population and an estimated 40 percent of its agricultural production. The municipal and industrial water demands on the Paso Robles Groundwater Basin include the cities of Paso Robles and Atascadero, the communities of Templeton, Shandon, Creston, and San Miguel, Bradley, Camp Roberts, and the small community systems in Whitley Gardens and Garden Farms (City of Paso Robles, February 2011).

The LOS III designation for water supply was certified by the Board of Supervisors based on a Resource Capacity Study prepared by the County in February 2011. The Resource Capacity Study confirmed that, for the PRGWB, demand had met or exceeded perennial yield. Therefore, LOS III was recommended, and certified by the Board of Supervisors, for the water resources of the PRGWB. According to the Draft 2012-2014 Resource Summary Report (January 2015), portions of the PRGWB have experienced significant water level declines over the past 15 to 20 years.

Paso Robles Groundwater Basin Urgency Ordinance

On August 27, 2013, the Paso Robles Groundwater Basin Urgency Ordinance was adopted by the County Board of Supervisors, establishing a moratorium on new or expanded irrigated crop production, conversion of dry farm or grazing land to new or expanded irrigated crop production, as well as new development dependent upon a well in the PRGWB unless such uses offset their total projected water use by a ratio of 1:1.

In order to address the urgent water needs within the PRGWB prior the expiration of the Paso Robles Groundwater Basin Urgency Ordinance, specific provisions are included which allow for the County to contemplate amendments to its general plan and/or zoning ordinance. In addition, it also allows time to complete necessary studies and reports for the contemplated amendments, while preserving the resources of the Basin.

To assist in these efforts, the County Board of Supervisors established the Paso Robles Groundwater Basin Advisory Committee (PBAC) to advise policy decisions related to implementation of the Basin Groundwater Management Plan, development of an "enhanced" Groundwater Management Plan for the Basin, formation of a new water district, the Computer Modal Update, and other policies and ordinances. The PBAC also serves as a public forum to discuss and collect comments on PRGWB issues.

Board Direction

On March 4, 2014, the Board authorized staff to proceed with the processing of various General Plan and County Code amendments to develop and implement a County Water Conservation Ordinance (Countywide Water Program), consisting of New Landscape requirements, Retrofit-on-Sale, Water Waste Prevention, and Water Neutral New Development.

On May 20, 2014, the Board directed staff to include incentive based programs that could result in reductions of outdoor water use to the previously authorized processing of the County Water Conservation Ordinance (Countywide Water Program).

On October 28, 2014, the Board reviewed the AG Offset program for the PRGWB developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD). At the meeting, concerns were raised regarding specific Ag Offset program details, such as the use of deed restrictions for properties participating in the program, and the use of certain well impact analysis methods. The Board directed

staff to continue (to a date uncertain) the establishment of an Ag Offset program for new irrigated agriculture in the PRGWB, and also directed staff to have further discussions with the RCD on this matter; evaluate legal issues raised during the hearing; gather more information on the model update; and consider the consequences of Sustainable Groundwater Management Act (Pavley-Dickinson) rules and regulations as they start to unfold.

On February 3, 2015, the Board gave direction on the scope of specific program components associated with the development and implementation of a Countywide Water Program. During the discussion, the Board directed staff to not pursue further development of an Ag Offset program as a component of the Countywide Water Program.

On February 10, 2015, the Board directed staff to return with an unrestricted discussion regarding development of an Ag Offset program.

On February 24, 2015, staff presented the Board with a summary of Agricultural Water Conservation Offset (Ag Offset) program development options, ranging from a permanent program in all LOS III groundwater basins to no program. The Board directed staff to pursue development of programs, policies and ordinance amendments related to the implementation of an Ag Offset program for the PRGWB. The Board specified that the Ag Offset program should contain sunset provisions that would allow for expiration upon adoption of a Groundwater Sustainability Plan (GSP). The Board also specified that the Ag Offset program should contain provisions that are similar to the ones currently required under the PRGWB Urgency Ordinance, and should not contain any provisions that would allow for new vested rights.

On July 21, 2015, the Board directed staff to wait to schedule a hearing for the introduction of the proposed amendments associated with the Countywide Water Conservation Program until the Planning Commission had completed its review and had made a recommendation regarding all of the proposed amendments.

Previous Planning Commission Action

During public hearing/ study sessions that were held on May 14, 2015, May 29, 2015, and June 4, 2015, your Commission reviewed and provided comments on the Draft SEIR; the proposed changes to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and the proposed changes to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.

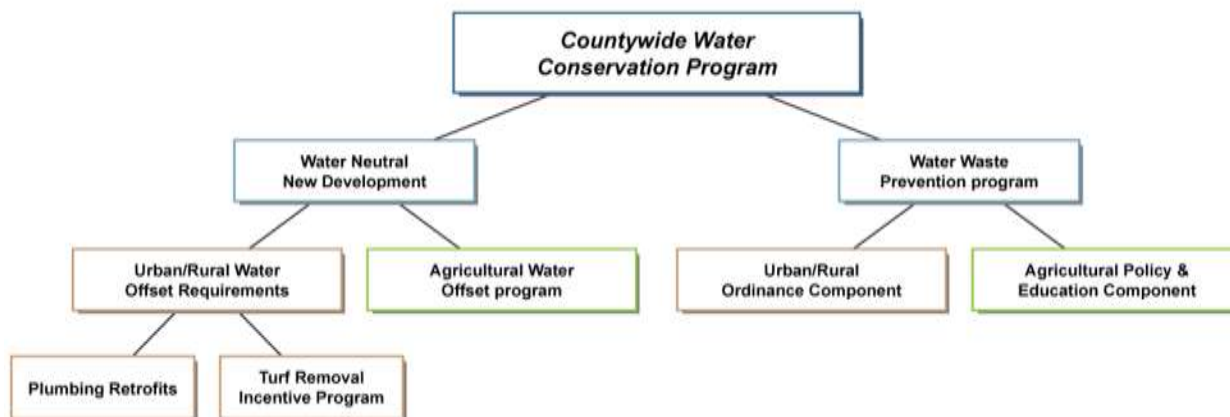
As a result of the comments received during those public hearing/study sessions, staff made changes to the proposed amendments, to address issues that were raised and/or to provide clarification on how the proposed Countywide Water Conservation Program would be implemented. Those changes are reflected in the revised amendments that your Commission will be reviewing today.

PROJECT DESCRIPTION

The objectives of the development and implementation of the proposed Countywide Water Conservation Program (Program) are to substantially reduce increases in groundwater extraction in areas that have been certified LOS III; provide a mechanism to allow new development and new or altered irrigated

agriculture to proceed in certified LOS III areas, subject to the requirements of the County General Plan and County Code, in a manner that fully offsets projected water use; and to reduce wasteful use of water in the county.

The proposed Program is comprised of two components, Water Neutral New Development (WNND) and Water Waste Prevention (WWP). The figure below shows the individual components of the Countywide Water Conservation Program.



Water Neutral New Development

Water Neutral New Development (WNND) means that any new water use will be offset through water savings from within the same water source. The proposed WNND component is intended to serve as an interim measure to substantially reduce increases in groundwater extraction and the lowering of groundwater levels in certified LOS III groundwater basins. Implementation of the WNND component would affect, enhance, alter, and/or extend the existing water neutral new development programs that are already in place for the Los Osos Groundwater Basin, the Nipomo Mesa Water Conservation Area (NMWCA), and areas of the Paso Robles Groundwater Basin (PRGWB) that are subject to the PRGWB Urgency Ordinance, which is set to expire on August 27, 2015.

Urban/Rural Water Conservation Offset (Urban/Rural Water Offset)

The WNND component would require that all new urban and rural development offset new water use at a minimum 1:1 ratio in all groundwater basins currently certified at Level of Severity (LOS) III by the Board of Supervisors (the Urban/Rural Water Offset). The three areas of the county that are currently certified at LOS III for water supply are the Paso Robles Groundwater Basin, the Los Osos Groundwater Basin, and the Nipomo Mesa Water Conservation Area. Although the Los Osos Groundwater Basin is certified at LOS III, the proposed provisions are only applicable to the PRGWB and the NMWCA, because current requirements for development within the Los Osos Groundwater Basin exceed the proposed water conservation efforts. New development participating in this program and served by an individual well must verify installation of a well meter. Implementation of the Urban/Rural Water Conservation Offset components requires amendments to Title 19 (Building and Construction Ordinance) of the County Code. Urban/Rural Water Offset requirements would be implemented through two primary methods to generate offset credits: plumbing retrofits and a turf removal incentive program.

Plumbing Retrofits

Plumbing retrofits are proposed because retrofitting plumbing fixtures in existing buildings results in measurable water savings. Specifically, replacing older, higher water-using toilets and showerheads with

more efficient fixtures will save specific amounts of water each day. For example, replacing a 3.5 gallon-per-flush (gpf) toilet with a 1.28 gpf toilet will save 2.22 gallons with every flush. Replacing toilets and showerheads is the most reliable way to achieve water savings. Additional measures, such as water pressure adjustments and installing hot water recirculation systems also save water, but savings from these measures are more difficult to quantify.

Plumbing retrofit requirements are currently in place for all three certified LOS III groundwater basins, though the requirements applicable in the Paso Robles Groundwater Basin will expire on August 27, 2015. In effect, the proposed amendments would enhance, alter and extend the plumbing retrofit programs already in place as follows:

- No change will be made to the existing plumbing retrofit program in the area overlying the Los Osos Groundwater Basin;
- The retrofit-on-sale program would remain in effect in the NMWCA. Since new development in the NMWCA will have to be water neutral, the requirement for new development to pay into a water conservation fund would become optional at the discretion of the NCSD, in addition to a requirement to verify that new water use has been offset at a 1:1 ratio, either through plumbing retrofits, participation in a turf removal incentive programs, or participation in an approved program or project administered by the NCSD. The logistics of exactly how this program will align with current NCSD requirements is still being assessed.
- The existing residential plumbing retrofit program in the area subject to the Paso Robles Groundwater Basin Urgency Ordinance would be extended beyond the expiration date of the Urgency Ordinance, which is August 27, 2015.

Turf Removal Incentive Program (Cash for Grass)

The proposed turf removal incentive program (Cash for Grass) would apply in the NMWCA and PRGWB because outdoor water use accounts for the majority of residential water use in those areas. Removing turf or other water intensive landscaping can save water.

The proposed turf removal incentive program (Cash for Grass) would offset the water use associated with urban/rural new development by offering cash incentives for property owners to replace existing turf with low-water demand landscaping. Although many water providers administer similar turf removal incentive programs throughout the state, this program would be unique in that the County would use the generated water savings as an offset credit that could be purchased by developers to comply with offset requirements associated with their proposed new development within specific urban/rural areas. Verifying that water savings are achieved would be accomplished through use of standard water savings calculations for landscaping and by inspections at the time of new landscaping installation to verify turf removal and replacement with low-water use landscaping.

Agricultural Water Conservation Offset (Agricultural Offset)

The proposed WNND component also requires that, in the PRGWB only, all new or more intensively irrigated agriculture offset new water use at a minimum 1:1 ratio (the Agricultural Offset program). The proposed WNND irrigated agriculture offset requirement would be implemented by an Agricultural Offset program.

The intent of the proposed Agricultural Offset program is to substantially reduce groundwater extraction and the lowering of groundwater levels in the PRGWB. The proposed Agricultural Offset program provides a formal framework for the transfer of offset credits to/from agricultural operations within the PRGWB. The Agricultural Offset program specifically applies to crop conversions, new irrigated agriculture, and any outdoor use (beyond typical landscaping associated with allowable land uses) that are not regulated by the proposed Urban/Rural Water Conservation Offset program.

The Paso Robles Groundwater Basin Urgency Ordinance and the program developed by the Upper Salinas-Las Tablas Resource Conservation District (RCD), as directed by the Board, were used as the development model for the proposed Agricultural Offset program. The proposed Agricultural Offset program differs from the program developed by the RCD in that it does not require a proximity analysis, well impact analysis, or third party monitoring. The proposed Agricultural Offset program does require deed restrictions and verification of well meter installation. The Agricultural Offset program includes a sunset provision upon adoption of a Groundwater Sustainability Plan(s) covering the entirety of the Paso Roble Groundwater Basin, within the land use jurisdiction of the County of San Luis Obispo, prepared pursuant to the Sustainable Groundwater Management Act.

Implementation of the Agricultural Offset program requires amendments to Title 22 (Land Use Ordinance) of the County Code, as well as the amendments to policies and implementation strategies identified in Agricultural Element and the Conservation and Open Space Element of the General Plan.

Water Waste Prevention

The intent of the proposed Water Waste Prevention (WWP) component is to develop, implement, and or encourage behavioral measures that will result in improved water conservation efforts for urban /rural land uses and agricultural operations.

The proposed Water Waste Prevention (WWP) component, of the Countywide Water Conservation Program, is comprised of two elements: 1) an ordinance prohibiting certain uses of water deemed to meet the definition of water wasting in urban and rural areas, and 2) policy clarifications that would identify a series of best management practices (BMPs) aimed at reducing water waste and increasing water use efficiency in agricultural operations.

Urban and Rural Water Waste Prevention

The proposed ordinance component of the WWP program would prohibit certain activities defined as water wasting. Some examples of water waste are excessive irrigation of landscaping, washing of hard or paved surfaces, and excessive runoff. The ordinance would apply to all existing and proposed urban and rural development within the unincorporated areas of the county where a water purveyor does not already have a similar ordinance (or other comparable program) in place. Examples of these activities, in urban and rural areas, include:

- Application of water to outdoor landscapes in a manner that results in runoff into non-irrigated areas, public and private walkways, roadways, parking lots, structures or other hard surface areas
- Use of a hose to wash an automobile or other vehicle except where the hose is fitted with an automatic shut off nozzle or device attached to it that causes it to cease dispensing water when not in use

- Application of water to hard surfaces, including but not limited to, driveways, sidewalks, unpaved walkways and any other hard surface areas
- Use of potable water in a fountain or other decorative water feature unless such water flows through a recirculating system
- Application of water to outdoor landscape more than 3 times per week

Implementation of this element would require an amendment to Title 8 (Health and Sanitation Code) of the County Code.

Agricultural Water Waste Prevention

The proposed policy clarifications would include provisions to reduce agricultural water waste. The provisions would be limited to expansion/clarification of existing policies and implementation measures found in the Agriculture and Conservation and Open Space Elements of the General Plan. These changes would include best management practices as well as implementation of an educational outreach program. Examples of best management practices for efficient agricultural water use in different types of agricultural operations would include:

- Increased adoption of crop water status monitoring, such as soil moisture monitoring technology.
- More precise irrigation scheduling
- Enhanced irrigation monitoring practices
- Use of a tail water return system for any surface water application
- Use of covers or other evaporation reducing systems for agricultural irrigation ponds
- Use of wind machines for frost protection, rather than overhead sprinklers, where feasible

The County would institute an education program for interested parties on how agriculture uses water and the purpose behind certain practices. As an example, a website would be developed to educate the public on agricultural water use as well as to provide industry a clearinghouse of the newest water-efficient practices. Information on best management practices would also be provided to agriculturalists during the pesticide permit and operator identification number issuance process.

New Landscape Requirements

The objective of the new landscape requirements is to enhance water-efficient landscaping plans and landscaping associated with all new residential and commercial development construction, remodels, additions, and all public development. The proposed new requirements would be all inclusive and would focus on requiring low water using plantings based on County recommended/or approved planting lists. The new landscape requirements would also address other outdoor water uses (e.g. water features) All new requirements would also be integrated with the existing Low Impact Development (LID) policies of County.

Implementation of the proposed new landscape requirements would be achieved through the amendment of the Title 22 (Land Use Ordinance), Section 22.16 of the County Code. Staff is currently developing draft ordinance revisions that will be available for public review and consideration, prior to the end of the calendar year, at a future public hearing.

County General Plan and County Code Compliance

Implementation of the proposed Countywide Water Conservation Program would require amendments to the County General Plan and the County Code. The implementation of the proposed Water Neutral New

Development component of the Countywide Water Conservation Program requires amendments to Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance), as well as the amendments to policies and implementation strategies identified in Agricultural Element and the Conservation and Open Space Element of the County General Plan.

The implementation of the proposed Water Waste Prevention component of the Countywide Water Conservation Program requires amendments to Title 8 (Health and Sanitation Code) of the County Code, as well as amendments to policies and implementation strategies in the Agricultural Element of the County General Plan to address agricultural and urban water waste prevention efforts.

The specific policy and ordinance amendments required in order to implement the proposed WNND and WWP components of the Program are discussed below.

General Plan Amendments

Agriculture Element

The Agriculture Element contains goals and policies to address agricultural issues such as agricultural land protection, water availability and conversion of agricultural lands to other uses. Each policy includes an implementation strategy along with a discussion of the policy and its intent. The following policies require amendment:

- Agricultural Element of the County General Plan, *Agricultural Goal – AG1*(Support County Agricultural Production), *Agricultural Policy – AGP10* (Water Conservation) and *Agricultural Policy – AGP11* (Agricultural Water Supplies)

Conservation and Open Space Element

The Conservation and Open Space Element (COSE) is one of the elements of the County General Plan (Conservation and Open Space combines two of the required seven elements of every local jurisdiction's general plan) and was adopted after a four-year process in May 2010.

One of the ten chapters of the element addresses water resources. The chapter contains goals, policies and implementation strategies to employ those policies in ordinances and decision making processes. The following policies and implementation strategies require amendment:

- Conservation and Open Space Element of the County General Plan, *Water Resource Policy – WR 1.7* (Agricultural operations), *Water Resource Implementation Strategy - WR 1.7.1* (Protect agricultural water supplies), and *Water Resource Policy - WR 1.14* (Avoid net increase in water use)

County Code Amendments

Title 8 (Health and Sanitation)

This Title contains the standards for well permits and well construction. The Public Health Department's Division of Environmental Health is currently working on new well standards that include installation, monitoring and reporting of water use. The following chapter requires amendment:

- Title 8 (Health and Sanitation Ordinance) of the County Code for the addition of a new Chapter 8.69 – Urban and Rural Development Water Conservation Requirements

Title 19 (Building and Construction Ordinance)

Title 19, the Building and Construction Ordinance, contains all of the buildings standards for new or expanded dwellings, businesses and waste disposal systems. Proposed changes to construction requirements such as Water Neutral New Development are part of this Title. Existing special water requirements in Los Osos and Nipomo are part of Title 19, as every dwelling constructed in the area is subject to building code requirements. The following chapter requires amendment:

- Title 19 (Building and Construction Ordinance) of the County Code, Chapter 7 – Plumbing Code, Section 19.07.42 – Water Conservation Provisions

Title 22 (Land Use Ordinance)

This title contains a majority of the land use regulations in the County jurisdiction. Title 22 addresses the inland area, and varies on how water issues are addressed based upon planning area designation. Regulatory requirements for land uses, minimum lot sizes, extension of services and new development water requirements are part of this title. The following chapters and sections require amendment:

- Title 22 (Land Use Ordinance) of the County Code, Chapter 22.06 – Allowable Land Uses and Permit Requirements by Land Use Category, Section 22.06.030 - Table 2-2, Section 22.06.040 – Exemptions from Land Use Permit Requirements, Chapter 22.30 – Standards for Specific Land Uses for the addition of a new Section 22.30.204 – New or Expanded Crop Production Overlying the Paso Robles Groundwater Basin, Section 22.30.310 – Nursery Specialties, Chapter 22.62 – Permit Approval or Disapproval, Section 22.62.030 – Zoning Clearance, and Chapter 22.80 – Definitions/Glossary, Section 22.80.030 – Definitions of Land Uses, and Specialized Terms and Phrases.

The proposed language for each specific policy and ordinance amendment are provided as Attachments A, B, C, and D.

ENVIRONMENTAL REVIEW / DETERMINATION

In order to implement the proposed Program, discretionary approval of the County of San Luis Obispo is required. This renders the Program subject to the requirements of the California Environmental Quality Act (CEQA). The County of San Luis Obispo, as lead agency, determined that an EIR must be prepared for the proposed Program.

In accordance with Section 15121 of the *State CEQA Guidelines*, the purpose of an EIR is to serve as an informational document that:

"...will inform public agency decision-makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project..."

The proposed new landscape requirements will be subject to subsequent environmental review.

Conservation and Open Space Element EIR

On May 11, 2010, the San Luis Obispo County Board of Supervisors certified the Conservation and Open Space Element (COSE) EIR. That EIR analyzed the potential impacts associated with the adoption and subsequent implementation of the COSE Consolidation and Update. The COSE unites five elements of

the General Plan and incorporates conservation strategies. The consolidated elements include three elements (Conservation, Historic, and Esthetic) of the 1974 Environment Plan as well as the 1994 Energy Element, and the 1998 Open Space Element (extracted from the Agriculture and Open Space Element). This EIR is being prepared as a Supplemental EIR to the previously certified EIR for the Conservation and Open Space Element of the County of San Luis Obispo General Plan.

Supplemental EIR

The purpose of the Supplemental EIR is to comparatively analyze the environmental impacts of the proposed Program in light of the original project evaluated in the County-certified Conservation and Open Space Element Consolidation and Update General Plan Amendment EIR (SCH #2008031091).

The County of San Luis Obispo prepared a Notice of Preparation (NOP) for an environmental impact report and distributed the NOP for agency and public review for the required 30-day review period from August 15, 2014 to September 17, 2014. During that time, the County received six comment letters from public agencies and other commenters. The NOP, the Initial Study and the comment letters received on the NOP and Initial Study are included in Appendix A, of the Final SEIR.

A public scoping meeting was held on August 27, 2014. The intent of the scoping meeting was to provide interested individuals, groups, public agencies and others a forum to provide input in an effort to assist in further refining the intended scope and focus of the EIR.

Draft Supplemental Environmental Impact Report

The Draft SEIR and its corresponding Notice of Availability were released for public and agency review on March 31, 2015. The public review/comment period on the Draft SEIR is 45 days, and concluded at the close of the business day on Friday, May 15, 2015. During this period, a comment was received that alerted staff to a concern that the Notice of Availability was not properly posted in the County Clerk's Office. In response to that concern, the public review/comment period was reopened for another 45 days beginning on May 22, 2015 and closing on July 6, 2015. A total of 22 written comments were received during the public review/comment periods. During the public and agency review and comment period the Planning Commission held three hearings that served as public meetings on the contents and conclusions of the Draft SEIR.

Final Supplemental Environmental Impact Report

A Final SEIR was prepared following the close of the public review/comment period. The Final SEIR includes: a) the Draft SEIR; b) copies of comments received during public review period; c) list of persons and entities commenting; and d) responses to comments. The San Luis Obispo County Board of Supervisors will consider the information contained in the Final SEIR during a public hearing process, which will be scheduled following your Commissions review and recommendation. During that public hearing the Board will be asked to certify that: a) the Final SEIR has been completed in compliance with CEQA; b) the Final SEIR was presented to the decision making body of the lead agency; and c) the decision-making body reviewed and considered the information in the Final SEIR prior to approving a project. If the Final SEIR is certified, acting as the lead agency, the Board may then: a) disapprove the project because of its significant environmental effects; b) require changes to the project to reduce or avoid significant environmental effects; or c) approve the project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted. A reference to the

location where the Draft SEIR and the Final SEIR can be obtained is included in Attachment E of this staff report.

Identified Impacts and Mitigation Measures

The Final SEIR identified four significant impacts related to Agricultural Resources and Land Use. Only Impact AG-3, which identified that implementation of the Countywide Water Conservation Program could result in the following of lands under Williamson Act contract and conflict with the provisions of Williamson Act contract are Class II, significant by mitigable. Mitigation Measure AG-3, requiring sending sites providing planting credits shall remain consistent with the provisions of any existing Williamson Act contract for the property and County Of San Luis Obispo Rules Of Procedure To Implement The California Land Conservation Act Of 1965 has been incorporated into the proposed Program.

Alternatives

As required by CEQA, the Final SEIR examines a range of alternatives to the proposed Program. The studied alternatives included the following: 1) No Project Alternative; 2) Larger Offset Requirement; 3) Expanded Agricultural Offset Program; and 4) Altered Sunset Provisions. Based on the analysis in the Alternatives section of the Final SEIR, the Altered Sunset Provisions Alternative is potentially the most environmentally superior alternative if downgrading a LOS III certified basin to LOS I or LOS II is applied as the sunset scenario.

COMMUNITY ADVISORY GROUP COMMENTS/ PUBLIC PARTICIPATION

On May 23, 2014 and again on April 8, 2015 (following the release of the DSEIR and the draft language) the proposed Countywide Water Conservation Program and associated General Plan and County Code amendments were referred to the following Community Advisory Groups:

- Agricultural Liaison Advisory Board (ALAB)
- Avila Valley Advisory Council (AVAC)
- Cayucos Citizen Advisory Council (CCAC)
- Creston Advisory Body (CAB)
- Los Osos Community Advisory Council (LOCAC)
- North Coast Advisory Council (NCAC)
- Oceano/Halcyon Advisory Council (OHAC)
- Olde Towne Nipomo Association (OTNA)
- Paso Basin Advisory Committee (PBAC)
- San Miguel Advisory Council (SMAC)
- Santa Margarita Area Advisory Council (SMAAC)
- Shandon Advisory Committee (SAC)
- South County Advisory Council (SCAC)
- Templeton Area Advisory Group (TAAG)
- Water Resources Advisory Committee (WRAC)

The majority of the advisory bodies listed above reviewed the proposed program and associated amendments. All formal comments received from those advisory bodies were forwarded to your Commission for consideration as they became available during the previously held study sessions/public hearings on this item.

Any comments from advisory bodies that have been received during the Draft SEIR public review/comment period, beginning on April 1, 2015 and ending on July 6, 2015, have been included in

the Response to Comments section of the Final SEIR. Several revisions to the proposed amendments have been made to address comments received.

In addition to the comments received from the advisory bodies listed above and private citizens, the following organizations also provided comments: Paso Robles Wine Country Alliance, Northern Cities Management Area Technical Group, PRO Water Equity, Paso Robles Water Integrity Network, Grower-Shipper Association of Santa Barbara and San Luis Obispo Counties, Creston Citizen for Agricultural Land Preservation, North County Watch, and the Sierra Club Santa Lucia Chapter. Their comments have also been included in the Response to Comment section of the Final SEIR and several revisions to the proposed amendments have been made to address those comments.

Following the close of the Draft SEIR public review/ comment period on July 6, 2015, two additional comments letters regarding the proposed Program and the proposed amendments were received. The letters have been included as Correspondence for your consideration, and are provided in Attachment G of this staff report.

AGENCY REVIEW

The Upper Salinas-Las Tablas Resources Conservation District, Nipomo Community Services District, Santa Margarita County Service Area No.23 Advisory Board, San Luis Obispo County Farm Bureau, and the Templeton Community Services District are the only agencies that provided comments on the proposed Countywide Water Conservation Program or the Draft SEIR. Their comments were forwarded to your Commission for review during the study sessions/public hearings that were held in May 2015 and June 2015. Those comments are included in the Final SEIR, in the Response to Comments section, since they were received during the public review/comment period for the Draft SEIR.

PROCEDURES FOR PROCESSING

When changes to the County General Plan and County Code (ordinances) are proposed, the first step in the process is for the Board to authorize staff to commence work on the amendments. Once the Board authorizes processing of amendments to the various elements and codes, staff begins review of potential revisions, conducts stakeholder outreach and environmental review. The item is then scheduled for public hearings at the Planning Commission and/or at the Board.

On March 4, 2014, the Board authorized staff to proceed with the processing of various General Plan and County Code amendments to develop and implement a County Water Conservation Ordinance (Countywide Water Program), consisting of New Landscape requirements, Retrofit-on-Sale, Water Waste Prevention, and Water Neutral New Development.

Following the Board authorization, staff reviewed and identified which elements and codes should be considered for revisions, conducted stakeholder outreach, and processed the environmental review. The next step is to hold a public hearing(s) before the Planning Commission, where they will make a recommendation to the Board regarding certification of the Final SEIR and adoption of proposed General Plan and County Code amendments that are associated with the proposed Program for adoption by the Board.

STAFF RECOMMENDATION

Staff recommends the Planning Commission take the following actions:

1. Recommend the Board of Supervisors certify the Final SEIR, including Appendices;
2. Recommend the Board of Supervisors adopt CEQA Findings;
3. Recommend the Board of Supervisors adopt amendments to the Agricultural Element and the Conservation and Open Space Element of the General Plan; and
4. Recommend the Board of Supervisors adopt amendments to Title 8 (Health and Sanitation Ordinance), Title 19 (Building and Construction Ordinance), and Title 22 (Land Use Ordinance) of the County Code.

ATTACHMENTS

The following attachments include all of the required documentation for the implementation of the Countywide Water Conservation Program. The proposed amendments are in legislative change format. Following the Planning Commission hearing on this item, the applicable draft resolution language will be prepared/ revised for the Board's review.

Attachment A – Amendment to Agricultural Element and Conservation and Open Space Element

Attachment B – Amendment to Title 8 (Health & Sanitation Ordinance)

Attachment C – Amendment to Title 19 (Building & Construction Ordinance)

Attachment D – Amendment to Title 22 (Land Use Ordinance)

Attachment E – Final Supplemental Environmental Impact Report, on Clerk's File and available online at: <http://www.slocounty.ca.gov/planning/water-amendments/environmental-review.htm>

Attachment F – Draft CEQA Findings

Attachment G – Correspondence (Received after July 6, 2015)